1956. **File No.** CD 1056

DEPARTMENT
BRANCH B Class

Subject:—

Cement— Karnatak

Supply and Distn

✓ P=6

E

B Class

File No. C.D 1056 Karnatak

Ed. Secti. Bllp. 54 /

CCD 1056/2334

R.H.&B.C. Department.

Please see the letters from the A.C.C.Ltd. and the Controller of ~~Indi~~ I. & S. C. Bombay on ~~Pg~~ P. 1-5 (c/s) In the circumstances stated by the co., it has requested Govt. to allow the Co. to include the item of profit margin in the ex-godown selling price of the A.C.C. cement tocover wastage loss etc. The Controller of I.& S. & C. B'bay has stated that the Co. ~~did~~ did not recover any element of profit in cement sold in Bombay City so far. However their stockists in Districts are allowed profit margin at theuniform of Rs. 2 per ton throughout the Bombay State. He has therefore recommended the Co.'s proposal. However, he has stated that since thereis is a large sale of A.C.C. cement in Bombay City, the element of profit at the rate of Rs. 1-8-0 per ton should be kept.

2. In this connection please see section 5(1) of the Bombay Indigenous cement (Control of Supply Distribution and Prices) Order 1955, where in it has been stated that infixing the retail price, the seller may take into consideration the expenditure on items such as cost of unloading wagons, cartage from station to godown, stocking in godown, godown rent, wastage, and profit margin to the seller. In view of this provision perhaps the recommendation made by the Controller that the Co. shd. be allowed profit at the rate of Rs. 1-8-0 per ton may be accepted. If approved, the Controller will be informed accordingly. 17/1/56 ID. ID 16/1/56 H. Secy.

Discussed with Regional Honerary Cement Adviser

In view of circumstances, stated in para.4 from the Controller's letter dated 27/12/55, to the Controller, I should differ the question of adding to the ex-godown price of cement in B'bay until new godowns had been acquired & found has profitable than the existing arrangement.

Id/-
21/1/56

Resubmitted with a draft letter for approval.

12/1/56

THE ASSOCIATED CEMENT COMPANIES LIMITED

THE CEMENT MARKETING CO. OF INDIA LTD.

121 Queens Rd., B'bay.

27th December, 1955.

Ref. No. CM.I. BO/44/8046

To

The Controller of Iron & steel & Cement,
B'bay.

Dear Sir,

Subject:- Inclusion of the item of profit margin in the ex-godown selling price to cover wastage loss etc., and other increased godown expenses.

.....

With reference to the talk that the undersigned has already had with you on the above noted subject, we are writing this letter to place before you our formal request for the inclusion of the profit margin of Rs. 2/- per ton in the selling price of A.C.C. cement marketed by us ex the cement godowns in B'bay City and Suburbs.

As you are aware this item is already included in the ex-godown selling price of another Cement Company in B'bay and the CMI stockists outside B'bay are also allo wed this item.

Further more as per clause I.2 of the Bombay Essential Commodities and Cattle Control Act, 1946, promulgated and circulated by the Political and Services Department in their order No. 986 46/9829-F dtd. 25-7-1947, the inclusion of this profit margin of Rs. 2/- is allowed.

That so far there was no request in this regard from our stockists direct or from us on behalf of our stockists, was due to the fact that so far as possible we tried to keep the selling price low by persuading the stockists to curtail expenses and to manage the godowns as economically as possible in order to avoid asking for sanction to add the profit margin and correspondingly increase the price.

Recent developments however have compelled us to approach you with this request and we hope ~~you--with~~ you will be good enough to accordexcess necessary sanction ~~to-add-the-profit-margin-and-correspon~~ at your earliest.

As you know our godown near Carnac Bridge has been acquired by

xx by the Government and we are forced to arrange for alternative accommodation which is going to cost us more than double of the previous expenses. The second godown in the same. locality which was also a large godown and was being used by the stockists has been acquired now and therefore it would be necessary now to arrange for several godowns in different localities or one large godown big enough to accommodate the be total stock of several stockists. In any case this would lead to more expenditure on rents and staff etc., and there will be no compensating factor such as large turnover because as you are aware the total quota for Bombay is considerably reduced. It should also be noted that cement dust causes a nuisance and therefore godown owners do not readily agree to let out godowns for cement storage.

7. The godown urually referred to as the C.M.I. godown is also manged by our stockists and apart from some contribution that the C.M.I. make towards the total expenses to assist stockists; because some quantity of Central quota cement is also stored there, the entire burden falls on the stockists. Of course as you know C.M.I. supervision and overall control is there in regard to distribution against permits and authorisations.

8. It is necessary therefore that a formal sanction be issued by your office to enable, us to permit the stockists to charge Rs.2/- extra from all the cement godowns in Bombay City and hence this request. In the end we would add that early action in the matter would be much appreciated.

Yours faithfully,
for THE ASSOCIATED CEMENT COS. LTD.

By their Sales Managers,
THE CEMENT MARKETING CO. OF INDIA LTD.

Sd/-

12/7/58

No. ST/20/274C

Office of the
Controller of Iron & Steel &cement,
Queens Barracks No. 3&4, Foreshore Rd.,

Bombay 1, Jan. 1956.

To

The Jt. Secretary to the Govt. of B'bay,
Rehabilitation, Housing and Backward Classes,
Department, Sachivalaya, B'bay.

Subject:- Inclusion of the item of profit margin in the exgodown selling price to cover wastage loss etc. and other increased godown expenses.

.....

I am to forward herewith a copy of letter No. BO/44/8046, dated the 27th Dec., 1955 received in this office from the Cement Marketing Co. ofIndia Ltd., Bombay and to state that the Co. did not recover any element of profit in cement sold in Bombay City. However it may be stated that their stockists in Districts are allowed the profit margin at the uniform rate of Rs. 2/- per ton throughout Bombay State and hence their claim for profit margin in respect of eement sold in Bombay City seems to be reasonable. However in view of the large sale of Acc Cement in Bombay City, the element of profit at the rate of Rs. 1-8-0 per ton is recommended.

Governments' orders as deemed fit may please be issued.

Id/-
Controller of Iron &Steel & Cement.

Enclo: One copy.

12/7/56

No. CCD. 1056/2334-C.
Rehabilitation, Housing and
Backward Classes Department,
Sachivalaya, Foreshore Road,
Bombay, 27th January 1956.

To

The Controller of Iron and Steel and Cement,
B'bay.

Subject:- Inclusion of the item of profit margin in the ex-godown selling price to cover wastage less etc. and other increased godown exp expenses.

Reference: Your letter No. ST/20/274-C dated the 10th January 1956.

2. The question of allowing the Associated Cement Companies Ltd. to include the item of profit margin at the rate of Rs. 1-8-0 per ton in the ex-godown selling price of the Associated Cement Company's cement in Bombay should be deferred until new godowns are acquired and are found less profitable than the existing arrangement by the Company.

(N.M.Jani)
Assistant Secretary to the Govt. of Bombay,
Rehabilitation, Housing and
Backward Classes Department.

Copy forwarded to:-

Regional